

MONTAGUE FINANCE COMMITTEE
Wednesday, September 13, 2023 at 6:00 p.m.
This meeting was held via Zoom and recorded:
<https://vimeo.com/864229360>

Finance Committee Chair Francia Wisnewski called the meeting to order at 6:00 PM.

Finance Committee members present: Chair Francia Wisnewski, Vice Chair Dorinda Bell-Upp, Clerk Fred Bowman and members Greg Garrison, John Hanold, Chris Menegoni, and Jennifer Waryas

Finance Committee members absent: none

Others present: Town Administrator Steven Ellis, Clean Water Facility (CWF) Superintendent Chelsey Little, and Town Accountant Carolyn Olsen

The meeting was recorded by MCTV as well as by Carolyn Olsen.

Meeting minutes:

Mr. Garrison moved to approve the minutes of September 6, 2023. Seconded by Mr. Hanold and approved.

Bell-Upp – Aye, Bowman- Aye, Garrison – Aye, Hanold – Aye, Menegoni – Aye, Waryas – Aye, and Wisnewski – Aye

Revisit Warrant Article #14 for CWF Regulatory Compliance and Regulations

Ms. Wisnewski stated that she asked for the previous vote on this article to be reconsidered as she intends to rescind her previous vote in support of this article.

- Ms. Waryas asked if it's true that we're hiring an engineer to do a job that's supposed to be done by the DPW Superintendent over a number of years, and if so, why an engineer? How did this situation come to be? Fixing it seems to be very expensive and we seem to have dropped the ball. Ms. Waryas wants to make sure that this doesn't happen again.
- Ms. Wisnewski added her questions:
 - Exactly what was the violation?
 - Who is responsible for submitting these reports? The Notice of Noncompliance (NON) letter was addressed to the DPW Superintendent rather than the CWF Superintendent.
 - In any town, who is in charge of doing these reports? The DPW or the CWF?
 - How long have we been out of compliance? Specifically, what years did we not submit a report?
 - What is the role of the Sewer Commission?
- Ms. Little explained that the reports are for four general areas - the plant itself, the pumping stations (force mains), the combined sewer overflow (CSO), and the collection systems. In terms of responsibility, the plant and pumping stations fall under the CWF and the CSO and the collection systems fall under the DPW. The general breakdown is that the CWF is responsible for wastewater treatment and force mains, and the DPW is responsible for gravity systems.

- In the past, the CWF Superintendent was doing all of the reporting. After Ms. Little was hired, the reporting for the CSO and collections system was moved to the DPW. The reporting requirements are split between the departments depending on what the report is on.
- Mr. Ellis responded to Ms. Wisniewski's questions.
 - The NON letter was addressed to the DPW superintendent because most of the issues involved relate to the collection systems.
 - The DPW began submitting the reports for the CSO and collection systems in 2021. Because they had never prepared the reports before, they received assistance from the Rural Community Assistance Partnership (RCAP) and used historical reports from the CWF as a template. In 2022 the DPW again had assistance from RCAP but the reports were scant and there were issues of collection systems maintenance that had never been done to the standard required by the permit, noting that we had never had dedicated collection systems staff.
 - Regulations under both the federal Environmental Protection Agency (EPA) and the state Department of Environmental Protection (DEP) have increased in number and complexity over time.
 - Things were never done completely to the standard of the Department of Environmental Protection (DEP) in the past. When we got the Environmental Protection Agency (EPA) grant, it brought attention to us, and the DEP is now holding us to higher standards. To meet these higher standards, Montague obtained an Asset Management Grant to build knowledge of the system and just recently added the Collection Systems Lead Operator position to focus on this work. The Town doesn't have anyone currently experienced in collection systems reporting or data management, which is why the town is asking for this appropriation. Staff will be working closely with the engineering firm in preparing these reports, which will provide experience to the staff so that they can do more of the work involved in the future. While we may still need engineering assistance in the future, the plan is to be able to do much of the work in-house.
 - Required reports have been submitted every year with no feedback that the reports were inadequate, but DEP is now requiring significantly more information. Some of the reports now require engineering calculations that were not previously required.
- Ms. Bell-Upp asked why the article is funded from sewer user fees. Mr. Ellis said that our sewer regulations place the responsibility for expenses associated with collection systems and the treatment of wastewater with sewer users.
- Ms. Waryas asked if it was correct that the Town of Montague has never met statutory requirements regarding reporting. Mr. Ellis doesn't think that is a fair statement. We weren't previously cited for our poor reporting. In 2018 and 2019, when the EPA came in and visited and generated an administrative order, it pointed out deficiencies in the broad scope of maintenance, operations of at that time the CWF and the collection systems. The CWF was able to quickly get its house in order in that regard. The DPW, in that interceding period of time, was asked to take responsibility for CSOs in addition to the collection systems. They did not efficiently handle that, but they submitted the reports associated with their operations which noted deficiencies in some maintenance activities.
- Ms. Waryas asked if CSOs are under of the purview of the DPW, yes or no? Mr. Ellis said yes, for the last two years or so. Ms. Waryas continued that the CSOs are managed by the DPW and there are statutory reports that have not been submitted as required, yes or no is that true?

Mr. Ellis replied that yes, they did not meet the expectations of DEP for the thoroughness of those reports. Ms. Waryas asked, going back to Ms. Wisnewski's original question, according to the state, whose responsibility is it to submit those reports, who's responsible for the content and submitting of the reports? Is it Tom, is it Chelsey, or is it some combination? Mr. Ellis said Tom. Ms. Waryas asked why Tom wasn't submitting the reports. Mr. Ellis said that there are elements of the reports that Tom submits, and elements of the reports that Chelsey does. Ms. Waryas was not satisfied with that answer and asked who is ultimately responsible for the submission of the reports, regardless of how they are arrived at, from the state's perspective who is responsible for submitting these reports for the Town of Montague, Tom or Chelsey. Mr. Ellis replied that Tom's name is on this. Ms. Waryas asked so why isn't he submitting those reports? Mr. Ellis said they submitted the reports last year between January and March, and that if this was going to turn into a personnel hearing he was going to have to change the focus. Ms. Wisnewski interjected that it was not a personnel hearing and Ms. Waryas just wants to know who's responsible for what because she doesn't know. Mr. Ellis repeated that Mr. Bergeron, working with RCAP, submitted reports, and the reports were considered to be deficient. Ms. Waryas asked when. Mr. Ellis replied March 31st of this year. Mr. Ellis further noted that the reports were generally consistent in content with what had been submitted in past years.

- Mr. Garrison reminded the committee that we are not the personnel board. We've been asked to review the request and this article. The objective for the town is to become current in our reporting. It is then up to the departments to remain in compliance. The risk to the town is to be out of compliance, so we're being asked to support this funding which may or may not reach \$99,900. We need a specialized engineering firm to bring us current. His understanding is that the reporting is not as simple as it used to be. The standards for the responsibilities have been dramatically increased. There is now a much higher standard of required reporting. We are being asked to fund this, through the enterprise fund, so we can become current. Then it will be the departments' responsibility to remain current without the additional high expenditures. At this point it's very important for the committee to understand that we need to get current. Once we satisfy all the requirements, we need to let others who are responsible for personnel ask the questions about who is responsible for what. Mr. Garrison recommends the Finance Committee support this request.
- Mr. Hanold agreed with Mr. Garrison and added that our role is to determine if the expense is necessary and where the funding should come from. The issue of who is responsible for needing the expense needs attention but is not our job. Mr. Hanold noted that there is a great deal of catchup required due to increased requirements by regulatory agencies.
- Ms. Waryas stated that if we don't know who's responsible to the state to submit reports, and if we don't fix it, we will repeat it. Ms. Waryas wants more information on the sewer regulations and that the enterprise fund pays for this cost.
- Ms. Wisnewski feels blindsided by the lack of available information and would like to rescind her previous vote in support of this request.

Ms. Waryas moved to reconsider the previous vote on this article, seconded by Ms. Wisnewski, and approved.

Bell-Upp – Aye, Bowman – Abstain, Garrison – No, Hanold – Aye, Menegoni – No, Waryas – Aye, and Wisnewski – Aye

Mr. Hanold moved to recommend \$99,900 for CWF consulting for compliance and regulations, to be funded from CWF Retained Earnings. Seconded by Ms. Bell-Upp and approved.

Bell-Upp – Aye, Bowman – Aye, Garrison – Aye, Hanold – Aye, Menegoni – Aye, Waryas – No, and Wisnewski – No

Mr. Garrison said that he wants Ms. Waryas to ask questions. His only concern is not to ask questions about specific personnel.

Fall Special Town Meeting Warrant Articles

1. Change Personnel Bylaw to allow longevity payments to non-union members

This would provide equity between department heads on the same pay grade and was discussed at an earlier meeting.

Mr. Hanold moved to recommend changing the Personnel Bylaws to allow longevity payments to non-union employees. Seconded by Ms. Bell-Upp and approved.

Bell-Upp – Aye, Bowman- Aye, Garrison – Aye, Hanold – Aye, Menegoni – Aye, Waryas – Aye, and Wisnewski – Aye

2. Appropriate \$3,100 to fund above longevity payments for FY24

The cost of implementing Article 1 for FY24 breaks down as:

Town Administrator	\$ 300
Assistant Town Administrator	\$ 500
Town Accountant	\$1,000
Treasurer/Tax Collector	\$ 300
DPW Superintendent	\$1,000

Mr. Hanold moved to recommend \$3,100 for FY24 longevity payments to non-union employees, to be funded from Free Cash. Seconded by Mr. Bowman and approved.

Bell-Upp – Aye, Bowman- Aye, Garrison – Aye, Hanold – Aye, Menegoni – Aye, Waryas – Aye, and Wisnewski – Aye

3. Increase retiree COLA base from \$18,000 to \$30,000

The current maximum annual Cost of Living Adjustment (COLA) increase is capped at \$540 (3% maximum percentage on maximum of \$18,000 of pension.) Request is to increase the base from \$18,000 to \$30,000 which would increase the maximum annual COLA increase to \$900. Rather than increasing the annual assessment, this would be paid for by extending the funding schedule an additional 2 years. The retirement system is currently 87% funding, and prior to this article was planned to be fully funded by the end of FY2030.

Mr. Hanold moved to recommend increasing the base for retiree COLAs to \$30,000. Seconded by Ms. Bell-Upp and approved.

Bell-Upp – Aye, Bowman- Aye, Garrison – Aye, Hanold – Aye, Menegoni – Aye, Waryas – Aye, and Wisnewski – Aye

4. Appropriate \$12,500 PEG (Public/Educational/Government) access funds for use by MCTV

This is an annual article to appropriate the PEG access funds provided to the town by Comcast for use by Montague Community Television.

Mr. Hanold moved to recommend \$12,500 for MCTV, to be funded from PEG Access Funds. Seconded by Ms. Bell-Upp and approved.

Bell-Upp – Aye, Bowman- Aye, Garrison – Aye, Hanold – Aye, Menegoni – Aye, Waryas – Aye, and Wisnewski – Aye

5. Transfer prior year receipts of \$12,885.56 to Opioid Settlement Stabilization Fund

These are funds received prior to the effective date of the town meeting vote that allowed 100% of these revenues to go directly to this Stabilization Fund. They had to be recorded as general fund revenues and are now part of Free Cash. This article simply moves them to their intended destination.

Mr. Hanold moved to recommend \$12,885.56 for the Opioid Settlement Stabilization Fund, to be funded from Free Cash. Seconded by Ms. Bell-Upp and approved.

Bell-Upp – Aye, Bowman- Aye, Garrison – Aye, Hanold – Aye, Menegoni – Aye, Waryas – Aye, and Wisnewski – Aye

6. \$4,000 for Highland Woods green burial site signs

Two signs are requested for the green burial section at Highland Cemetery. The cost would be funded from the sale of cemetery lots.

Mr. Hanold moved to recommend \$4,000 for 2 signs for the Highland Woods green burial area, to be funded from Sale of Highland Cemetery Lots. Seconded by Mr. Bowman and approved.

Bell-Upp – Aye, Bowman- Aye, Garrison – Aye, Hanold – Aye, Menegoni – Aye, Waryas – Aye, and Wisnewski – Aye

Review Financial Policies

The Town's Financial Policies include a provision that the Finance Committee have an annual review of these policies prior to October 1st of each year. The Finance Committees were provided with the current version of the policies prior to this meeting.

- Ms. Bell-Upp expressed concern that there is nothing in the policies that would direct a portion of any extraordinary Free Cash balances to the Gill-Montague Regional School District, noting that the district has still been unable to settle labor contracts and that a one-time infusion of Free Cash could have solved a lot of the school's problems.
- Mr. Ellis noted that our policies also provided that Free Cash amounts in excess of a certain amount should only be used for non-recurring expenses in order to avoid using Free Cash to support operating budgets.

Updates from Town Administrator

Mr. Ellis noted that since we now have a significant amount of excess levy capacity which directly affects the affordable assessment calculation, which is reflected in the Financial Policies, a change in the affordable assessment calculation might require modification of the policies.

Future meetings:

- The Fall Special Town Meeting will be held on October 10, 2023.
- The next Finance Committee meeting will be on October 11, 2023

Future meeting topics –

Review Financial Policies
Recap/review Fall Special Town Meeting
Review Affordable Assessment Calculation ?
FY25 Budget Projections

Topics not anticipated within 48 hours of posting –

A letter was received from Town Meeting Member Ms. Ella Ingraham which provided information on her tax bill increase since 2012, acknowledged the need for infrastructure improvements, and requested a cautious approach to discretionary expenses. Ms. Wisnewski will send a letter thanking her for her comments and stating that we are mindful of the effect of our recommendations on tax bills and will take her concerns into account.

Finance Committee Adjournment

Mr. Garrison makes the motion to adjourn at 7:17 PM. Seconded by Mr. Hanold and approved.

Bell-Upp – Aye, Bowman – Aye, Garrison – Aye, Hanold – Aye, Menegoni – Aye, Waryas – Aye,
and Wisnewski – Aye

Respectfully submitted,
Carolyn Olsen

Documents and exhibits:

Minutes of September 6, 2023